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Interview no. 1481

Armando Reyes

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University of Texas at El Paso

Institute of Oral History

Interviewee: Armando Reyes

Interviewer: Javier Navar

Project: Paso del Norte Entrepreneurs Oral History Project

Location: El Paso, Texas

Date of Interview: 17 June 2010

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Transcript No.: 1481

Transcriber: GMR Transcription Services

Biographical Synopsis of Interviewee: Armando Reyes was born in El Paso, Texas on April 12, 1947. His parents were Robert and Dolores Reyes and Armando has nine brothers. Armando attended Jefferson High School in El Paso, Texas. He also attended El Paso Community College. Armando is married to Vicki Reyes and they have one daughter, a son in-law and two granddaughters. Armando served in the United States Army and is a veteran of the Vietnam War. Armando is the founder and owner of Kings Air in El Paso, Texas.

Summary of Interview: When Armando was a 12 years old, he began accompanying his father to work at Alejandro's Plumbing Company. When Armando was a teenager, he worked for that company as well. Armando Reyes graduated from Jefferson High School in 1965 and worked for Pacific Food Express after graduation. Once the job ended, Armando and four friends left for California to find work. He was able to find work in California that paid well but eventually Armando returned to El Paso. When he returned, Armando attended El Paso Community College and worked with his brother Julian at an air conditioning company called Reece. A few months later the United States Army drafted Armando into the Vietnam War. Upon returning from the Vietnam War in 1968, Armando returned to Reece and continued to work for the owner for seven years until he left to work for D&L Plumbing and ran the sheet metal and air conditioning department. Armando was able to save enough money to start his own business and on April 1st 1980, Armando left D&L Plumbing to start his own company. Armando is the founder and owner of Kings Air. Kings Air is full service air conditioning company that also has a full sheet metal department. They are able to do their own dump work, full electrical work, and in addition they have their own electricians and a master electrician. Kings Air does contract work in the city of El Paso as well in Fort Bliss, Texas a United States military post in El Paso County, Texas and Doña Ana/Otero Counties, New Mexico. Armando's brother George also works with him as the master electrician and runs the electrical department at Kings Air. Armando's son in-law also works as the chief financial officer for Kings Air. Along with his savings, Armando was able to receive help from the United States Small Business Association.

Kings Air has help organizations such as Upwards Santa Clause and The USO. Armando is a part of the Hispanic Chamber of Commerce as well as The Greater El Paso Chamber of Commerce. Armando states that hard work, long hours and dedication to quality work and quality business is what has kept Kings Air successful for over 30 years. Motivation and education have been crucial to the success of Kings Air. Armando makes sure that he takes care of his employees with free hospital insurance, paid holiday, vacation, uniforms and the company also helps with the employee's 401k. Armando's advice to entrepreneurs is to have good business plan, go to seminars, get the name of the company to the public, and to educate one's self in business.

Length of interview: 57minutes

Length of Transcript: 19 pages

Name of Interviewee: Armando Rangel

Date of Interview: June 17th, 2010

Name of Interviewer: Javier Navar

Interviewer: This is an interview with Mr. Armando Rais on June 17, 2010 in El Paso Texas. The interviewer is Javier Navar. This interview is part of El Paso Norte Entrepreneur Oral History Project. Okay Mr. Armando. When and where were you born?

Mr. Armando Rais: I was born in El Paso Texas sir, April the 12th, 1947. Roughly I just kicked over 63.

Interviewer: Did you grow up here in El Paso?

Mr. Armando Rais: Yes, by all means. I actually, when we grew up in the Second Ward, right there in the corner of Fifth and Atra. We were almost about five years old from a family of eight boys. Eight boys no sisters. Had none to offer our friends you know. But when I was about five years old which is probably 1952, no less than that, '52 yes correct. In 1952 we moved over here to what is called [inaudible] Island which is a [inaudible] area. So we lived there until I was about 18 years old. That was when I, after graduating from my school, I went to Jefferson High School.

Of course I had to go see what it was all about up in California. Making the money, I wanted to the money and the whole nine years. But anyway getting back, grew up in there in the Chabeside, went to Jefferson High School and just like anything else sir, local, fourth generations here as a matter of fact. Not, oh five generations. My great grandpa, that's my mom's daddy, my great grandfather, my great grandpa, my grandpa, my grandma, and my mom and then myself. My daughter is six generations [different language], there are never any ancestors in Mexico plus you know we never knew who they were or what ever. Bottom line is on my mom's side, which is Lateris side there's a lot of generations that were born here in El Paso. As a matter of fact my grandfather Bernie Delers was World War I veteran. And you know not to many people can say that for a Hispanic, the whole nine yards, [different language] pride [different language].

On my dad's side, here is the different story. On my dad's side he was born in Delargo Mexico. But when he was about two months

old my grandma brought him over. And guess what, took him straight to Billings Montana. My dad was a cowboy up there, [different language] way up there in Billings Montana. My grandma's buried up there, his mom. But he got drafted in to World War II so he would make his trip, before he got drafted, he would make his trip up and down from Billings Montana, he'd head for Fresno California down to El Paso straight back up here. Then back to Billings Montana until he got drafted after, right after the war my dad made it down here to El Paso. Hooked up with my mom and by God, eight boys. Yes, sir.

Interviewer: Who are your parents?

Mr. Armando Rais: My parents, Roberto Rais and Deloris Rais. Her maiden name of course was Teris. Yeah and both of them are deceased. We just lost our mother January the 20th. But boy I tell you she had one heck of a time raising us. Eight boys and as a matter of fact during their lifetime we actually adopted another brother, so we most him in Vietnam. So there was a time that ten guys were underneath the roof. My mom would feed us all, just amazing guys, you know. Big family, [different language].

Interviewer: Can you tell me about your education?

Mr. Armando Rais: My education, I finished high school and like I say when I graduated from high school, my dream, hey I wanted to go to California. Back then in those times, you had, I don't know if its still going now, there was an opportunity to take the college route or the non-college route. I took the non-college route. I loved math, loved business math, and I took the non-college route. Played football in high school. Like I say until I graduated in 1965.

After that like I say I went to California. No I worked here in El Paso making some real good bucks at the ice plant. You know what good bucks were, I think I was making about six or seven dollars, 1965, '66. Before we decided, a couple of guys from the neighborhood, [different language] California. I figured well there's got to be more money up there. Well that job finished here in El Paso, unloading big blocks of ice for the Pacific Food Express. So when we got through there, the works [different language] right at the end of summer. And what are we going to do? Let's go to California. So we headed up for California, myself and three or four guys out there.

I had some cash in my pocket, always was able to store some cash in my pocket one way or another. We got us a little apartment. I got a job bussing dishes. I mean [different language] you guys working and bussing dishes. Always, always working hard. So after that work, I mean after, we stayed up there until from about September, three, four, five, six months. Worked in a coffee shop in Torrance California. Got a little home sick. [Different language]

A funny part about it is, the funny part about it is, well right before after the job that the Pacific Food Express in 1965 that paid seven dollars an hour, that was big time union, money and the whole nine yards. [Different language] And I landed a job at 75 cents an hour, 75 cents an hour. That's all El Paso was paying here minimum wage or what ever. We decided to go to California and I landed a job bussing dishes.

They needed people out there, five dollars an hour. Five bucks an hour and that's two hundred a week. You know it's two hundred dollars a week and it was, man we were kicking butt man. Living in the apartment, the whole nine yards. We were all single and it was just a way to kind of relax. We went to the beach. These little desert rats didn't know what beach looked like. Went to Disneyland the whole nine yards. It was really like living it up really nice.

I had all ready started dating my current wife; my current wife and I have been married for 44 years guys, 44 years. But that will come later in the story. When I got homesick, I missed her, missed my family. And being homesick is the opposite of being in love man. If you guys have never been homesick, let me tell you, let me tell you, it's just the same little feeling of being in love. You know it's one of a kind.

But anyway we came back to El Paso and landed a job, no more five dollars an hour. Back to one dollar an hour installing ductwork. My brother Juelian was working for a sheet metal company or an air conditioning company here in Alameda. Dollar an hour guys. So I worked from about September, no January, February, March, April, May right a round June, a dollar an hour. I get my draft notice, time to go. Us ignorant, the Vietnam War taught us something, time to go. Go ahead sir.

Interviewer: What was the language spoken at home?

Mr. Armando Rais: We spoke Spanish. We spoke English. Oh I could go on and on how we had to be ready. See my mom grew up in the lower

valley. And she went to Cadwalinger. She went to school with Anglo girls so my mom was not ignorant as far as speaking Spanish or English. She spoke to us in English. She spoke to us in Spanish. My dad was – even though he was a veteran from World War Two he was a plumber. So my mom [different language]. We were there. She really had us under control and so was my dad. It was just something, incredible relationships with your father were not that strong back then even though we listened to him no matter what. No matter what he was a hard working man, [different language] non-stop, 24,7 guys with all the [different language]. It's amazing. But we spoke both languages English and Spanish.

Interviewer: Did your family operate a business?

Mr. Armando Rais: My family, nobody in my family operated a business. My dad had a relative, it wasn't a relative of him because he was an only child and he called him [different language] and he had a business, a plumbing business. It was a pretty big plumbing business. When my dad worked for him he went broke, lack of administration.

Interviewer: So you learned from that?

Mr. Armando Rais: I didn't take the plumbing end of it. I learned because I would go with him with I was a young kid, one of the first four or five guys that would go with my dad to work with him. I was 13, 12, 13 years old. I would always stick with him. [Different language] And he landed some jobs for me during the summer time with plumbing companies. I was 15, 16, 17 years old, Alhandro's plumbing companies.

Interviewer: What is the present name of your company?

Mr. Armando Rais: The present name of the company is Kings Air. You want to know why I called it that right?

Interviewer: Yes.

Mr. Armando Rais: Do you? My last name is Rais. You noticed that it is Rais, which in English is plural, kings. When I started my company there were still a lot of Anglo people here in El Paso, especially in the Kern area, all this development that you see out here didn't exist. And I use to think I use to say Rais air conditioning isn't going to fly. There is going to be to many Anglos that think naa I don't want to deal with him. Maybe that was just my feeling. Because I've never been bigoted, prejudice, I get along with everybody [different

language]. Since I was a young kid I have been able to get along with anybody and everybody. I could probably talk to that wall; I could talk to water. But anyway I thought, oh man that name's not going to make it.

And I had my concerns, I use to think, I wonder what my family is going to think if I put it Kings Air. [Different language]. We always think about it. [Different language] Gringo [different language], but I'm an American of course. Not a gringo, no offense to anybody. But anyway I went ahead and put it Kings Air. [Different language] Kings Air [different language]. We'll worry about a logo; we'll worry about this and that later on. Who cares about the consequences you know? So I said Kings Air. That's why I put it Kings Air.

Interviewer: Can you describe your business, the types of services you offer?

Mr. Armando Rais: Say again now?

Interviewer: Can you describe your business?

Mr. Armando Rais: Oh yes we've got a full service department with about 15, 16 vans. It's full service, anywhere from chillers to boilers, refrigeration units, restaurants, residential and we have to evaporative cooler. There's not a single air conditioning company in El Paso that does not have to deal with evaporative coolers. If you notice there's more refrigerated air now than there was 20 years ago. Again we just celebrated you 30-year anniversary April the first. So in those 30 years it's taken some time but let me get back to your question.

We have a full sheet metal department. We fabricate our own dump work, full electrical. We've got our own electricians and we've got our master electrician. We've got a contract, an ongoing contract in Fort Bliss. There's about a 100 guys out there and we do nothing buy maintenance. Maintenance means, maintenance changing out filters. We change out evaporative coolers or convert some of the buildings from evaporative cooler to refrigerated air. We'll do the whole electrical, the whole HVHC, the sheet metal installation. Almost like a general contractor. We've been asked by the people at Fort Bliss, to a whole barrack, complete conversion. So you know we've got quite a few people working here. Go ahead sir.

Interviewer: Why did you decide to start your own business?

Mr. Armando Rais: I decided, I was, as a matter of fact when I came back from Vietnam I had been working, oh yeah Stretch I forgot him. Right before I got drafted too, I was working for this air conditioning company and actually that's where I got drafted out of, this air conditioning company. And that was still in 1966, I came back in 1968 and I went straight back to work for this gentleman. I worked for him for seven years and I left him and I worked, to work, that company's name was Reece, very, very great good company. The man really inspired me, the owner, he cared about us.

And then I left him and I went to work for another company it's called D and L plumbing. I ran the whole sheet metal department, the air conditioning department until, he promised me so many things. [Different language]. He promised me, I'm going to give you a raise, I'm going to do this for you. And I really worked my butt off for him trying to bring him up. Well all that never came. I worked for him about four years until I had a little bit of savings. [Different language] and I decided I'll go on my own. I had some decent contacts [different language]. In 1980 was when [different language]. That's when it all started. April the first, April fools day [different language]. April fools day, April the first 1980.

Interviewer: And who was your motivation, who encouraged you too --.

Mr. Armando Rais: My motivation was to, everybody wants to succeed and be noticed one way or another. Everybody wants to be at the top no matter what. The, I guess my motivation was okay, I just wanted a small sheet metal shop. My goals were to have a shop with about, maxed out about 20 guys, you know 20 guys, a good strong sheep metal shop. But times have changed. I use to do the service too. I wanted a small, strong sheet metal shop that we could deliver to our customer good work, quality work.

That was my motivation. I also believe in that lava traction should, I don't know if you know what it is, lava traction means, I had that dream and it's [different language]. And you focus on it. You focus on it and before you know it, the door opened up and you go wow, where do I go from here? I've got to work hard, work long hours and get that money flowing. [Different language]. That's a key thing to be able to think like that. I still didn't have a business plan [different language]. Go ahead.

Interviewer: What were the economic conditions at that time?

Mr. Armando Rais: At that Javier, I wasn't even looking at that. Now I do of course. That's [different language] I was 32, 33 years old. Well it's not [different language] but still. I did not think you know to say, how is the, what's the status of the Dow Jones and the whole nine yards. I wasn't in my [different language]. I wasn't keeping an eye on it, but I could tell you people were spending. People were spending. I have no idea; I have no recollection as to how it was. People were spending because I was a sales man, I was the boss, I was service technician and trying to go get work. And it was just a matter of setting me goal, [different language] long hours [different language]. I would work long hours. [Different language] eight to five. There's no such thing as that when you get started. So [different language] situation. [Different language]. But I know people were spending money.

Interviewer: Did you need any funding to start?

Mr. Armando Rais: See this is what I'm saying, I didn't have any money big time. And I saw some other people getting some sheet metal shops, [different language] and I started getting inquisitive about where do they get there money man? I mean you know really? I had, my idea was I would build it up myself. Well that's the best part of the, it's a good question. I finally found out the [different language] SBA. And it's amazing [different language]. I went to the SBA [different language] '82, '83. Let me tell you an amazing story.

At that particular time, at that particular time, the SBA [different language] left and right, but they offered me, and here's a good story [different language]. They offered me something like three or four hundred thousand dollars. [Different language] building [different language]. I go what? [Different language] I asked for 20,000 dollars. And the lawyer, [different language] SBA. He says Mr. Rais we could loan you 400 thousand dollars. And no,no, no,no. I'll be able to make that that 400 thousand dollars with a 20 thousand dollars [different language] ignorance. [Different language] I didn't take it. I took the 20 thousand and guess what? [Different language] it's a regret. Because I do not know, [different language] I kept cranking, cranking, cranking [different language] just to building. I bought a little truck, [different language] operating capital [different language]. [Different language] Kings Air [different language]. [Different language] in my 30 years of existence. Every Friday they've had their checks.

But let me get back to this [different language]. [Different language]. So anyway [different language] 20,000 [different language]

language] Jerry Ruban. Do you guys know Jerry Ruban? Do you know Helen Latroy? Okay rings a bell. I was doing work for him and he had gotten our financial statements together, I should them to Jerry Ruban, we were really doing very well. And I said I needed some money, I needed a building. I needed – I never worked out of my house. My wife never allowed me to work out of my house. When you're banging sheet metal together [different language] so we would have bothered our neighbors.

I had a little place on Tony Lama. I rented a little space. There were some little garages, [different language] sheet metal shop. But anyway, ask me a question. I can go on and on [different language].

Interviewer: What factors helped you grow as a company?

Mr. Armando Rais: What now?

Interviewer: What factors helped you grow?

Mr. Armando Rais: What factors helped me grow? That we, I guess that we've been in existence for 30 years [different language]. We're still a growing constantly, word of mouth. [Different language]. Doing good work for people even if it's your cousin or your friend. Sometimes we might be a little bit more expensive, but it's the quality of work, quality of work, we instill it into our employees. That's a big factor in a sense that it has helped us make our business grow. Really improved.

Interviewer: What role has your family played in the growth of your business?

Mr. Armando Rais: My family?

Interviewer: Yes.

Mr. Armando Rais: I have one brother that works with us. I had another brother that has worked for us and another no lets see, one, two, three, fourth, this is my fourth brother that works with us. There other ones started, they joined me and they didn't have the business ideas I had. We didn't break away; we all talk to each other. We get along fine. They just didn't have the business sense so they wanted to move on to other things and they did. George, he's the master electrician here, two more master electricians, but George runs the electrical department. He been with me for almost ten years since [different language].

Interviewer: What challenge have you faced growing a business as Hispanic?

Mr. Armando Rais: The challenge is that we have seen [different language]. It's getting your people to understand how business works too. You know the people who work for you. So that they can be productive, you know that's a big challenge, a big, big challenge. You have to do, you're responsible, you have to set an example. And you have to be able to explain to them how a business works. Not just come in here and [different language], they need to understand. If I could tell this to any businessperson or [different language] or whatever, you need to educate your people. [Different language].

Because some people don't even understand. It's a social security deduction that when you deduct seven point what ever it is, that the company has to match that deduction and where's that money going to come from, from profit. So you educate your people. You educate your people and they you get them motivated. But always never forget them, never never [different language]. That's a challenge, big big challenge. [Different language] and motivate them and make them understand business. Really and truly.

Interviewer: Are you member of any Chamber of Commerce?

Mr. Armando Rais: I am a member of I know I am a member of Hispanic Chamber of Commerce. It's the HomeBuilders Association. I think we're also member of the, I think, I should know, the regular El Paso Chamber of Commerce yeah, so we've got our hands involved in [different language]. [Different language] the electrical, the journeyman coming in [different language] where you steal people and you bring them in and you try and train them. You need to have trained people. [Different language]. And education them about business.

Interviewer: What advantage do you have compared to other business here in El Paso?

Mr. Armando Rais: What advantage? Again like I say, being, going good work. We we've had people knocking on the door trying to come in and work for King's Air. I mean we don't throw applications away. We do not throw any applications away; it's against the law. The advantage [different language]. We have a lot of benefits for the people that work for King's Air and I could name them to you. I could start, it's just, first of all we have hospitalization insurance for them. And when I say we have, we pay for it, 100 percent. We

pay for the uniforms; they have paid holidays, paid vacation. They are also eligible, I think after a certain period of time to be in the 401 K. We put up I think something like three percent, 401 K.

Those are real benefits [different language]. In the construction industry [different language] I've seen bigger companies than ours, bigger companies than ours, and guess what? They get hospitalization insurance [different language] and that's not free. Ours in 100 percent and it's not only because, it's mandatory to have the people at Fort Bliss to have hospitalization insurance, we have two groups, the people who work at Fort Bliss and the people who work outside of Fort Bliss.

Well the people who work outside of Fort Bliss have the same benefits as the people who work inside of Fort Bliss and that is hospitalization insurance free. We pay for it.

Interviewer: Pay for it. Have you expanded beyond the local area?

Mr. Armando Rais: No. No. We can do work in New Mexico, [different language] licenses in New Mexico. No we have not expanded further out. We do some work in Los Cruces and every once in a while we'll do a job out here in Van Horn or something like that. No, no [different language] out at all.

Interviewer: Well, looking back at your business, what would you have done differently?

Mr. Armando Rais: I would have borrowed those 420 thousand dollars buddy. I would have borrowed them. [Different language] that is one heck of a deal. [Different language]. [Different language] Jerry Ruban was a board of how do you call it, he's was the board of directors. [Different language]. But anyway he helped me. He helped me with enough money [different language] Robin Singpin, she was one of the top dogs there at the bank [different language]. [Different language] if you have to borrowing it, probably at a higher interest, it wasn't big time, [different language].

We bought this property; we had plans made for it. And if I may say so like I say, well, we'll go from there, they got mad at me, I don't know what time, if I'm limited to this thing here, so we built this place [different language] it was just slowly, it's 60 by 80. And then we had the sheet metal shop back there. You now, I decided they would make the sheet metal shop back there, [different language]. Started going back there and we just expanded the metal shop. [Different language]. And then we

ended up buying the property next door. See that concrete thing right there, [different language] from there the concrete curb, we bought that property.

But by then my son-in-law had joined us and my daughter. I had one child, beautiful girl. [Different language]. One girl, it's been wonderful. And to top it off she married a wonderful guy, a good man, two beautiful granddaughters. Couldn't ask for anything better. Then to top it all, he's a full-blown CPA. So he is our chief financial officer [different language]. Changed her name, it's not Rais it's Via. And I love it. I don't care. I don't care.

Interviewer: What dreams do you have for the future?

Mr. Armando Rais: Dreams that we will continue to be successful and maybe grow some more. You know there's no such thing as hey, I want to monopolize the whole thing. You could literally kill yourself trying to do that. There is enough work here in El Paso for everybody. Of course we want to get paid well, make good money because my dream also [different language] employees whether they work at Fort Bliss or they work out here. Make decent wages. In order to make decent wages, remember go back to the PR, [different language], what it takes to make money.

A flat tire cost [different language], you drop a screw, a sheet metal screw out there, you know, [different language] starts right here. That little flat tire will cost the company bad time. We take it off, take it to Merlin tire, get it fixed, bring it back, put it on the truck, easy [different language]. Even though they are not going to charge me a cent to repair the tire, so you know you have to share those little stories [different language] so that they understand that they you know, be clean, be clean about it [different language] can cost you a flat tire. A wire nut, tools, not tools but material, wire nuts [different language]. All that they all have value. [Different language] so if they're going to leave them on the floor, hey they left some money there, it's part of their little bonus they might get at the end of the year. So they have to be involved in the profit making process.

Interviewer: What advice would you offer a Hispanic starting a business today.

Mr. Armando Rais: [different language] yes, by all means. You know first of all, [different language]. If they saying their prejudice or what have you, so [different language] thinking like that. If he's going to start a business he better have a good, decide what he wants to do.

A good business plan. Go to all the seminars, community college, get some business courses, [different language].

I never finished telling you [different language] finished high school before I headed down to California. I came back and I went to the community college. If it's okay for me bounce back [different language]. And you just can't say [different language] because construction is harder I think then if you're going too, even photography or [different language], you're going to have to market yourself. You know what I'm saying. [Different language].

But you're going to have to be good and really hustle to get out there, get your card out there, your name [different language]. Because if you need to go borrow money it is a key thing [different language] Let me see your business plan. If you say I need you to loan me 50,000 dollars [different language]. They are not going to look at you real well. But like I say, I lost a golden opportunity [different language] because the government [different language]. That an old story. [Different language]. But you need to ask me one, after you get it started what are you going to do with the money? [Different language]. We'll jump into that on when ever you're ready.

[Different language] have a business plan because you need to borrow money. To be able to have good credit rating. [Different language] with interest. But you can't make a profit doing that. That's what I recommend. [Different language] just really, really have a good business plan and educate yourself about the business.

Interviewer: So you think it is a good time to open a business right now?

Mr. Armando Rais: You know [different language] since I'm not looking at what, where else I would drift off down to you know, I don't think it's a bad time, I don't think it's a bad time anytime. You know. [Different language] if your dream is monstrous like you want to open up a dealership, a car dealership [different language] I don't know about that one [different language]. [Different language] because there are a lot of opportunities. You need a lot of money to open up a car dealership [different language].

It's tough. Like I say I see her with her camera's, boy I tell you I think it's a good little business there, comfortable. But market yourself and know you're not going to starve [different language]. What else would be nice to open up a business, I don't know about those franchises, [different language] a good chunk of money so you can kick in.

You know what, it sounds like crazy, I look at the t-shirts, even what do you call it, silk screening, print shops, [different language] Getting back to what you were saying you need to look at the market, I research otherwise you'll starve. [Different language] You better think about that one twice. A guy, friend of mine, he always said, always do something that the other guy's not doing. [Different language] We try. We try to make sure that our going back [different language]. At 6:30 we have a safety meeting every Wednesday. [Different language] We treat them nice and educate them.

First of all and I must say this, [different language] and we've had women, nice technicians, ladies [different language] of course, they're drilled about no sexual abuse, no sexual harassment. [Different language]. You know you have to use this word [different language] That does not fly here. That does not fly here. The other one, grab assing [different language] The guys have to behave like gentlemen and that's where, we probably have one step ahead of each other, because I've seen I've gone [inaudible] and they have like a better thing.

And boy I'll tell you [different language]. And that's not the way to be. They have to represent the company that they're working for. So I tell them, while you work, during your working hours at King's Air, or your inside this fence you will behave like a gentleman or a lady. What you do outside that fence is your problem or your doing. It's a good habit to practice. There's no reason to behave [different language] in a restaurant or anywhere that you're doing. [Different language] keeping it clean and neat. What else?

Interviewer: Any thing you want to add to the interview?

Mr. Armando Rais: Well what I want to add really and truly, like I said I could go on and on and on, first of all, I'm very happy [different language]. My employees come first, you might think, I'll tell you something, no no, I'll take it back. I draw them a pyramid [different language] a pyramid. At the very top of the pyramid is the customer and then in the middle is the [inaudible] employees and at the very bottom is the King's Air. No King's Air [different language], no King's Air in the middle, it's the King's Air at the bottom. [Different language] your customer.

The customer is the one that feed us. The customer [different language]. [Different language] but it's hard to hit 100 percent.

You will always have a disgruntled customer, no matter what. [Inaudible] a liability. Every single business has liability, [different language] I don't care, [different language]. I'm not that type [different language] So you got a liability. [Different language]. Every single business has liability.

But anyway let's get back to the pyramid. [Different language]. Once you get the thing flowing you, that's one of the most important things, personnel [different language], squabbles. Let me tell you, we get a new employee, whether it's a lady or a guy, especially with the guys, you need to see this, possible with different habits from a different company, and I tell them, we introduce them [different language]. And he says, he's got this background, blaa, blaa, blaa. We don't let him get up there [different language].

I said it's an overused term, team concept, but we say, [inaudible] he's going to be working with, he's got a background in duct work, fabrication, blaa, blaa, blaa, but we know he's not going to set this whole place on fire. [Different language] The thing that I tell them and they know, and I tell them guys, [different language] if he stumbles and he falls what do we do? We pick him up, somebody answers we pick him up. [Different language] and that's very important.

When you're employees can see eyeball to eyeball to each other, it's [different language]. You know that all comes back from the benefits and having good amigos. [Different language] They have to communicate.

But one more thing I want to add [different language]. [Different language]. They're very highly skilled. [different language] supervisors because how could I handle close to 200 or what ever people with me, no, no, [different language]. It's the supervisors; they're the gatekeepers. Gatekeepers, [different language] Because they will have their challenges. You know they will have their challenges [different language].

And they're well guided. [Different language] If you know the rest of the story you go to workman's comp [different language]. They were in close contact when the [different language]. [Different language] even just helping here in the office. He's getting paid his regular wages; we want him to heal up [different language]. Not good, not good at all.

What else can I tell you? Other than I've [different language]. Nice man. Very nice man. Very, very nice man. [Different language]

What can I tell you? I'm happy that we've come along this far. We've really worked hard. A lot of people don't understand. [Different language] It's loyalty. I talk about loyalty with my employees [different language]. Long hours [different language]. [Different language] I want to share with you [different language].

[Different language] And he said I've been diverting it back into their company and do some savings and do this, no, no, no [different language]. You don't know how long that things going to last. You have to plan ahead. [Different language] and plan ahead, invest it. And when it's, if you can recover that money for a rainy day [different language]. [Different language] good credit, good planning and it's not going to happen over night. That's all.

Interviewer: Thank you Mr. Armando. This is the end of the interview. Okay.

Female Speaker: Go ahead.

Interviewer: We continue with the interview with Mr. Armando.

Mr. Armando Rais: Yes sir.

Interviewer: Mr. Armando, what problems did you encounter when you started your business in 1980?

Mr. Armando Rais: Well the problems I did encounter, even though I thought I had a little plan was getting enough work. Getting enough work. The rates that I were charging were pretty normal. It was just being able to market myself immediately. So what I had to do, because I wasn't ready in a sense, and I'll be honest with you, I was not ready, I had one contact, a good little general contractor out of Horizon, but real quick I did a job for him [different language].

So what do I do know, how do I get people to call me. Well just so happened it was April and I was too late to get my name in the yellow pages, things like that. I did get my little business cards, by brother-in-law made me some little business cards and I was up and down the Burgess area. You know that area, around Burgess High School doing, just little business cards knocking on doors, the marketing end of it. And not having a lot of money. It takes its time. But brother-in-law [different language], he helped me. Because even if they had a vale of 50 dollars, you have to divorce

yourself of 50 dollars and I have always been one of those guys if you give me something, sell me something, I want to pay you now. [Different language].

I have to thank my wife, Vicki, she never complained, [different language]. We struggled. We, you know, it was, before that she was a domestic engineer, one child, [different language] I was the only breadwinner. So anyway, the major problem [inaudible] marketing myself. [Different language]. And it just dawned on me; I'll go to church and put every business card on the windows on those cars. Really and truly, my daughter would go out there every once in a while and put a card [different language] you know.

And finally the phone call, hey you do service. Yes we do service. You know [different language] one at a time. It took the whole year; it took the whole year to really, really get cranked up. You can't imagine, maybe I'm not suppose to give you numbers, but I'm going to give you some numbers. From April the first to December the 31st of 1980 King's Air generated 25 thousand dollars. [Different language] Including the taxes we need to send to the state because of [different language]. It was close to 150 thousand. [Different language]

Maybe I shouldn't divulge those numbers but [different language]. You know that a lot of money. [Different language]. 25 thousand dollars [different language] I generated in 1980 from April the 1st to December 31st. [Different language] or better, a week. Taxes [different language].

Marketing [different language] the biggest problem and getting my name out there. [Different language]. He started pushing me [different language]. And I did a little bit of work here and a little bit of work there. And the ball just started rolling and when the ball started rolling [different language]. This is enough, this is enough. [Different language] and it has not stopped rolling. When ever crust get on the ball [different language].

Interviewer: What makes your company different? What advantage do you have?

Mr. Armando Rais: Again, I go back, I think that some of my employees, we've gotten a lot of letters from our customers, which make me proud of my employees that we have done our work [different language]. I have letters from Fort Bliss that our people are behaving very well. These are people that are noticeable. [Different language].

We've also been very; we've donated some decent money to the Fort Bliss groups, Upwards Santa Clause, the USO. I've never heard of another contractor that's in there [different language]. It's not the amount of money; it's that we have done it. Okay? So there's a lot of people, civilian people that work inside work, so civilians so they use us our here because our boys that are in there [different language]. They're uniforms mean a lot of advertisement. [Different language] and they're sitting next to somebody, going back to what I was telling you, that we were talking about, they're sitting next to this guy from King's Air and they're behaving [different language], well people turn around and look at that. You know what its called King's Air.

The service department has like tripled, a service department at has tripled almost, it's a lot, that's a lot. Sometimes you say, did another air conditioning company out there get out of the game or what? [Different language].

What makes us different? Again I'm going to say I think our service makes us different. [Different language]. The way we treat them. I think our prices are very fair. I've seen, as a matter of fact had a problem with my stove in my casa, a Vicking brand, [different language] okay could we, I didn't want to tinker with it. I was still in warranty. Well we found the guy that fixes them. I don't know where the phone call came from, so we found him. The guy shows up in his own truck [different language]. The technician okay he knew how to fix it. It shows up in his [different language]. He uses his own personal truck. I mean no name, no logo, nothing. Took him about half an hour to figure it out but he finally figured it out. Well when he left his bill was 136 dollars, he fixed it. [Different language]. Our service call is 70 dollars. Somebody's making some decent money. [Different language] cut it in half so he's making some pretty good money, 120 or 125 he's making 62.50 for each service call. That guy's making some pretty decent money. Ours is 70 dollars an hour. We have to pay our technician, my gasoline, my van, my insurance, the whole nine yards, my overhead. So our profit margin is not that monstrous compared to that guy that showed up for 125 dollars. [Different language].

Any thing else?

Interviewer:

On behalf of the state of Texas and El Paso I want to thank Mr. Armando Rais for this interview. Thank you very much.

Mr. Armando Rais: Thank you Javier. Thank you ladies.

Interviewer: This is the end of the interview.

[End of Audio]

Duration: 57 minutes